

Article - Education

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§11–210.

(a) (1) In this section the following words have the meanings indicated.

(2) “Annual revenue” means the revenue generated during an institution of postsecondary education’s fiscal year that can be included in its calculation related to compliance with 20 U.S.C. § 1094(a)(24).

(3) (i) “Federal funds” means any federal financial assistance provided to an institution of postsecondary education through a grant, a contract, a subsidy, a loan, a guarantee, an insurance policy, or any other means.

(ii) “Federal funds” includes federal financial assistance that is disbursed to a for–profit institution of higher education or a private career school under any federal law on behalf of a student to be used to attend the institution or school.

(iii) “Federal funds” does not include any monthly housing stipend provided under the federal Post–9/11 Veterans Educational Assistance Act of 2008.

(b) Subject to subsection (c) of this section, this section applies to:

(1) A for–profit institution of higher education approved to operate in the State;

(2) A for–profit institution of higher education that enrolls Maryland residents in a fully online distance education program in the State; and

(3) A private career school approved to operate in the State that has not been determined by the Internal Revenue Service to be an organization to which contributions are tax deductible in accordance with § 501(c)(3) of the Internal Revenue Code.

(c) An institution or a school described in subsection (b) of this section shall:

(1) Be approved by the Commission to receive education assistance under the federal Post–9/11 Veterans Educational Assistance Act of 2008; and

(2) Have received funds to pay for students' tuition, fees, or other institutional charges through Title IV of the federal Higher Education Act of 1965 during the prior academic year for which the tuition, fees, and other institutional charges collected per full-time equivalent student enrolled would not be covered in full by the amount of the maximum level of federal Pell Grant funds.

(d) At least 10% of the institution's or school's annual revenue shall be from a source other than federal funds.

(e) An institution or a school described under subsection (b) of this section may not enroll new Maryland residents in a program if, beginning in fiscal year 2023:

(1) In 2 out of 3 of the immediately preceding fiscal years the institution or school fails to satisfy the provisions of subsection (d) of this section; or

(2) For 2 consecutive years the institution or school fails to satisfy the provisions of subsection (d) of this section.

(f) On or before December 1, 2020, the Commission shall adopt regulations to carry out this section.

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